

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF REVENUE
DIVISION OF LOCAL SERVICES**

Property Tax Bureau
Informational Guideline Release (IGR) No. 90-205
January 1990

DURATION OF MUNICIPAL WATER, SEWER & ELECTRIC LIGHT LIENS

Chapter 469 of the Acts of 1989
(Amending G.L. Ch. 40 §42B, Ch. 83 §16B and Ch. 164 §58C)

SUMMARY:

This legislation amends the local option statutes authorizing municipalities and districts to impose liens for unpaid municipal charges for water, sewer and electric light service. The changes make the liens for all three types of charge coterminous with the lien for the tax to which the charges are supposed to be added. The changes were necessary to insure that if a collector makes a tax taking in time to perfect the tax lien, the taking will also perfect liens for any utility charges that become part of the bill.

The legislation also changes the date by which delinquent charges must be added to the tax bills. Previously, delinquent charges had to be added to the tax bill by December thirty-first of the year following the year in which the delinquency arose. That date was often impossible to comply with in communities that were late in setting their tax rates. The new law simply provides that the delinquent charges must be added to the tax bill of the next fiscal year.

GUIDELINES:

1. No new acceptance will be needed to make the change effective in those communities that have already accepted one or more of the relevant local option statutes.
2. The change in the duration of the utility liens will apply to existing liens for charges that have already been added to tax bills, to liens for delinquent charges that arose in fiscal year 1989 and have not yet been added to FY90 tax bills, and to liens arising on or after January 29, 1990.
3. There has been no change in the duration of liens for utility charges that do not get added to tax bills in a timely fashion. Those liens will still expire on October first of the third year after the charges became due.

EXAMPLE

A town that has accepted the relevant statutes to create liens issues semi-annual utility bills on November 15, 1989 and May 15, 1990. The bills are due and payable on December 15, 1989 and June 14, 1990 respectively. The liens for any bills not paid by those dates will arise on December 16, 1989 and June 15, 1990.

Because the liens for both bills will arise in FY90, the charges, if they remain unpaid, must be added to the FY91 tax commitment. If they are added to the FY91 tax bills, the liens will be valid for as long as the lien for the FY91 tax is valid - that is, until October 1, 1993 or until there is a recorded alienation of the property, whichever is later.

However, if they are not added to the FY91 tax bills, the lien for the bills due in December 1989 will expire on October 1, 1992 and the lien for the bills due in June 1990 will expire on October 1, 1993.

The Division regularly publishes IGRs (informational Guideline Releases detailing legal and administrative procedures) and the BULLETIN (announcements and useful information) for local officials and others interested in municipal finance.

P.O. Box 9655, Boston, MA 02114-9655 (617) 626-2300
